



NEWS RELEASE dated 8/5/14

MERCER GROUP LIMITED

MARKET UPDATE

Mercer Group is providing a market update on recent developments and further guidance for the Financial Year 2014 trading, as follows:

1. S-Clave Funding

Mercer is pleased to advise that it has received Callaghan Institute funding approval for \$1m, payable over the next 2 years for its proprietary sterilisation technology called S-Clave. Mercer will use this to co-fund further development in New Zealand with an aim of getting it to market in 2-3 years.

2. Year – End Forecast

As we come towards the end of the financial year, the Company is better able to forecast its year-end position. Sales growth has not been as rapid as the Company had anticipated, and with two significant stainless fabrication contracts being delayed (now signed), combined with the added costs the company took on in anticipation of this growth, it means an EBITDA of around \$1 million for this Financial Year is likely.

3. Funding

The Company is pleased to have rolled over its banking facility with BNZ until 2017.

4. Outlook

The Company is determined to continue its growth strategy and in particular the push into the North American market for Titan and other products. This growth is taking somewhat longer to develop, however progress is being made and the Directors are confident with the plan being pursued.

For further information, please contact Rodger Shepherd, Group CEO on +649 837 7540